



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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June 27, 2000

Eugene Hodges
385 North State Street
P.O. Box 997
Laverkin, Utah 84745

Re: Denial of File Closure, Zane 1 & 2 Project (E/021/032), Iron County and Mesa Lode Project, (S/053/057), Washington County, Utah

Dear Mr. Hodges:

On June 13, 2000, we received your note wherein you stated that no work has been done and you were closing out the file for the Zane 1 & 2 exploration project, file number E/021/032, located in Beaver County, and on the Mesa Lode small mining project, file number S/053/057, located in Washington County, Utah. Both of these projects are located on federal land managed by the Bureau of Land Management (BLM). We have been unable to inspect these two sites to date, therefore, in order to expedite file closure, we contacted the Cedar City BLM field office regarding the Zane exploration project, and the St. George BLM field office regarding the Mesa Lode small mining project. We were informed by both offices, that these projects have not been closed nor the BLM files retired for these projects. Therefore, the Division cannot close our files until authorized to do so by the BLM.

The 1999 - 2000 permit fees are still due and payable for both of these projects. As you have previously been informed, the *permit fees are due at the time a notice is submitted*. The fees are in part to cover administrative costs in reviewing notices, and maintaining mining and exploration files. You have also been advised by this office as well as the BLM offices that you cannot commence operations until you have satisfied both agencies requirements.

If you feel these projects can be released, please contact the Ed Ginouves of the Cedar City BLM office and Larry Gore of the St. George BLM field office. When we receive notification that the BLM has closed the file, we can then release you from any further reclamation obligations and close our files as well. However, the Division annual permit fees will remain due and payable. If payment is not received they will be turned over to the Utah Office of Debt Collection.